

California's Economic Competitiveness Strategy: Supporting Targeted Regional Industry-Focused Strategies

California Workforce Investment Board

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representing

Accelerating State Adoption of Sector Strategies



Targeted Regional Industry-Focused Strategies

One Concept – Many Terms

- **Economic Competitiveness Strategies**
 - Broad state level strategies that can include sector strategies, career pathways models, economic development strategies, etc., in support of regional economic competitiveness initiatives
- **Clusters**
 - Initiatives Economic term (Michael Porter, Harvard)
- **Sector Strategies**
 - State level strategies that focus on workforce strategies (although not exclusively) to support regional sector initiatives
- **Sector Initiatives**
 - Industry-specific, regional partnerships that address employers' needs for skilled workers and workers' needs for good jobs.
- **Career Pathways**
 - Supply side strategy that supports a broader sector strategy

What Do They All Have in Common?

Goals: regional competitiveness and good jobs

- Leverages conclusion that *economies are regional*, and should be organized regionally
- Focus on the needs of a *specific industry* important to a regional economy
 - Regional labor markets; “commuter sheds”
- Engagement of *multiple businesses* in the industry and region (“wholesale” approach)
 - *Business driven*, with deep involvement of multiple employers
- Address employers’ need for skilled workers and workers’ need for good jobs

Cluster Definition

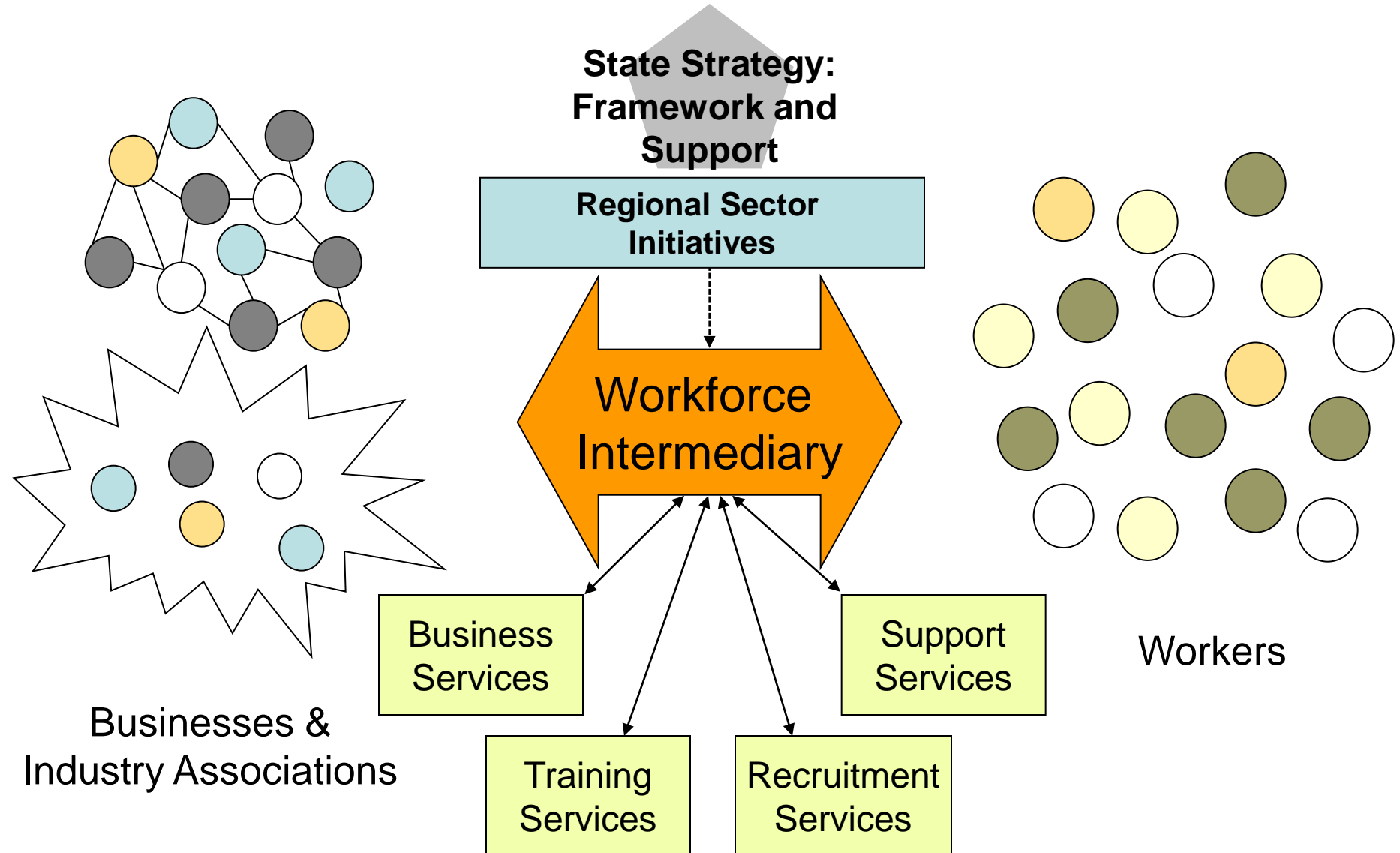
A cluster is a ***group of firms, related economic actors, and institutions*** that are located near one another and that ***draw productive advantage from their mutual proximity and connections***. They may be connected by functional relationship (e.g., suppliers and purchasers, producers and distributors) or by competition for similar markets.

[Source: *Cluster Based Strategies for Growing State Economies*,
Regional Technology Strategies, 2007]

The Public Sector Can Support Clusters through State Sector Strategies that:

- Promote regional economies, focusing on key industries and occupations
- Create a “big tent” of partners that allows for multiple and alternative funding strategies to be identified and utilized
- Utilize data-driven decision making
- Align resources and strategies of economic development , education, workforce development, and agencies important to the industry

Sector Initiative Model



Why State Sector Strategies?

- Provides a ***policy framework*** for a statewide approach
- ***Supports and leverages regional sector initiatives*** – where the “rubber hits the road”
- ***Identifies and reduces/eliminates barriers*** that get in the way of regional initiatives being successful

California's Support of Regional Economic Competitiveness

California's Competitiveness = Regional Economic Competitiveness

- California Regional Economies Project
 - California Economic Strategy Panel
 - *Industry Clusters of Opportunity User Guide: September 2008*
 - *Clean Technology and the Green Economy*
- SB 293 – The Workforce Training Act
- AB 3018 - The Green Collar Jobs Act
 - Green Collar Jobs Council
 - Clean Energy Workforce Training Program
 - Regional Industry Clusters of Opportunity Grants

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AGENCY LINKS

- California Labor & Workforce Development Agency
- California Business Investment Services
- Employment Development Department
- California Workforce Investment Board
- Employment Training Panel

Regional Economies Project



- Uses the concept of [regional economies](#) and industry clusters to provide an updated look at California's economy.
- [Publishes findings](#), including industry cluster studies, monographs on key economic and workforce issues, and economic profiles.
- Institutionalized a [methodology for studying industry clusters](#) at the County and multi-County levels, applied in the [Industry Clusters of Opportunity User Guide](#).
- Provides non-confidential employment and wage data, prepared by the Employment Development Department's Labor Market Information Division, as the [California Regional Economies Employment \(CREE\) Series](#), as a basis for studying industry clusters. (The CREE provides annual County data at the four-digit NAICS level, back to 1990.)
- Applies this methodology at [training sessions](#).
- [About the Project](#) provides detailed information about the Project.

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California Economic Strategy Panel

The California Economic Strategy Panel continuously examines changes in the state's economic base and industry sectors to develop a statewide vision and strategic initiatives to guide public policy decisions for economic growth and competitiveness. The California Regional Economies Project is currently the lead mechanism for these efforts. For an overview of the Panel and its work, refer to the documents about the [Panel](#) and [statutory mandates](#).

NEWS



- » [Setting Up Business in California: A Guide for Investors, July 2009](#) provides information on the general procedures and issues involved in establishing a business in California, with access to forms for legally operating a business in California and links to organizations that a business may contact in the establishment process.
- » [The California Facts, July 2009](#) provides economic and demographic snapshots of California's 58 counties and a comprehensive Statewide snapshot. This version updates the original publication completed in April, 2006.
- » [2009 California and Regional Economic Profiles](#) are now available online. The 2009 Profiles update the Economic Profiles released in 2008, and use a revised format, providing information on key economic indicators and major industry sectors in each region.
- » [Using Multipliers to Measure Economic Impacts](#) discusses use of the updated California regional input-output (RIMS II) industry multipliers, recently released by the federal Bureau of Economic Analysis.

FEATURED INFORMATION

- » [Latest Employment & Unemployment Information](#)

SB 293: California's Goals

- Transform California's job training, job placement and vocational education programs into a an integrated and accountable workforce investment system that is accessible to all, including those with economic, physical, or other barriers to employment
- Provide lifelong learning for all Californians, promote self-sufficiency, link education and training to economic development, and prepare California to successfully compete in the global economy

AB 3018 - The Green Collar Jobs Act

- Signed into law by Governor Schwarzenegger on September 26, 2008, established the Green Collar Jobs Council under the purview of the California Workforce Investment Board (CWIB).
- The Green Collar Jobs Council is tasked with:
 - Understanding the current and future workforce needs of the Green/Clean economy
 - Developing a comprehensive strategy to prepare California's workforce to meet the needs of businesses supporting the economy
 - Ensuring that efforts aimed at improving worker's skills are coordinated and effective.



- Victoria Bradshaw
Agency Secretary
- Barbara Halsey
Executive Director
- Lawrence Gotlieb
Board Chairperson

FEATURED LINKS

- California Labor and Workforce Development Agency
- Employment Development Department
- California Department of Industrial Relations
- California Department of Education
- California Economic Strategy Panel
- State Personnel Board
- EDD/Labor Market Information Division
- California Employment

Green Collar Jobs Council

The Green Collar Jobs Act, signed into law by Governor Schwarzenegger on September 26, 2008, established the Green Collar Jobs Council under the purview of the California Workforce Investment Board (CWIB). The CWIB is charged with developing a comprehensive workforce development plan for the State as described in the Workforce Training Act of 2008 and with federal responsibilities outlined in the Workforce Investment Act of 1998.

"As we continue to navigate California's economic recovery, we want to make sure our businesses and residents are ready to compete for new markets and changing jobs. The Green Collar Jobs Council will work with leaders in education, workforce development and business throughout the state to ensure California is on the leading edge of the new green economy - and able to meet the job demands it brings."

- Governor Arnold Schwarzenegger.

The Green Collar Jobs Council is tasked with understanding the current and future workforce needs of the Green/Clean economy, developing a comprehensive strategy to prepare California's workforce to meet the needs of businesses supporting the economy and ensure that efforts aimed at improving worker's skills are coordinated and effective.

- Mapping Ad Hoc Workgroup
- Meeting Calendar and Agenda Material

Next 10 Release

Please save the date for an exciting and information-packed day! The first of the Back to Back Events is Next 10's Release of Regional Green Jobs Report. The announcement of this report will happen in the morning with a presentation by Next 10's Founder, Noel Perry, and Collaborative Economics. In the afternoon, the first Regional Action Clinic will take place for the Clean Energy

QUICK LINKS

- Green Economy
- California Workforce Association
- Labor Market Information Research
- State Sector Strategies
- Educational Opportunities
- Regional Economic Profiles

I AM LOOKING FOR INFORMATION ON:

- My Employer
- State Jobs
- Funding for Special Projects
- Unemployment Insurance

The Power of Partnership

- State Partners

- California Workforce Investment Board (CWIB)
- California Energy Commission (CEC)
- Employment Development Department (EDD)
- Employment Training Panel (ETP)

- Results

- Clean Energy Workforce Training Program, leveraging CEC and EDD (WIA) funds
- State Energy Sector Partnership, a competitive federal grant
- Regional Industry Clusters of Opportunity Grants, leveraging CEC and CWIB funds

Clean Energy Workforce Training Program

- Collaboration of
 - the CWIB
 - the California Energy Commission
 - With Governor's 15% funding
- From ***analysis*** of regional industries and their labor markets to ***actions to assist*** industries and the workforce
- Leveraging innovation for job creation
- Focused on green jobs in
 - Construction
 - Manufacturing
 - Utilities and Energy

Regional Industry Clusters of Opportunity Grants (12/09)

- Collaboration among:
 - The California Workforce Investment Board
 - The California Energy Commission
 - The California Economic Strategy Panel
 - (In coordination with the California Labor and Workforce Development Agency)
- Approximately \$3 million available
 - to develop and implement regional clusters of opportunity strategies and to involve partners to advance the competitive position of targeted clusters resulting in economic prosperity
- Proposals can focus on one or more established and/or emerging clusters of opportunity
 - e.g. agriculture and food value chain, water technology, motion picture and entertainment, manufacturing, health care, renewable energy.

Promising Regional Practices

- Joint Venture Silicon Valley Network
 - Working with business, government, academia, labor and the community to encourage the growth of our clean and green industries as they simultaneously reduce greenhouse gas emissions.
 - Strategy: [The Greenprint for Silicon Valley](#)
 - Achieving Climate Prosperity: examples of benefits
 - Less money spent on energy and more disposable income
 - Emerging sector expansion, local economy stimulation
 - Increasing energy efficiency creates new jobs for construction workers, manufacturing workers, and others

Tomorrow's Action Clinic

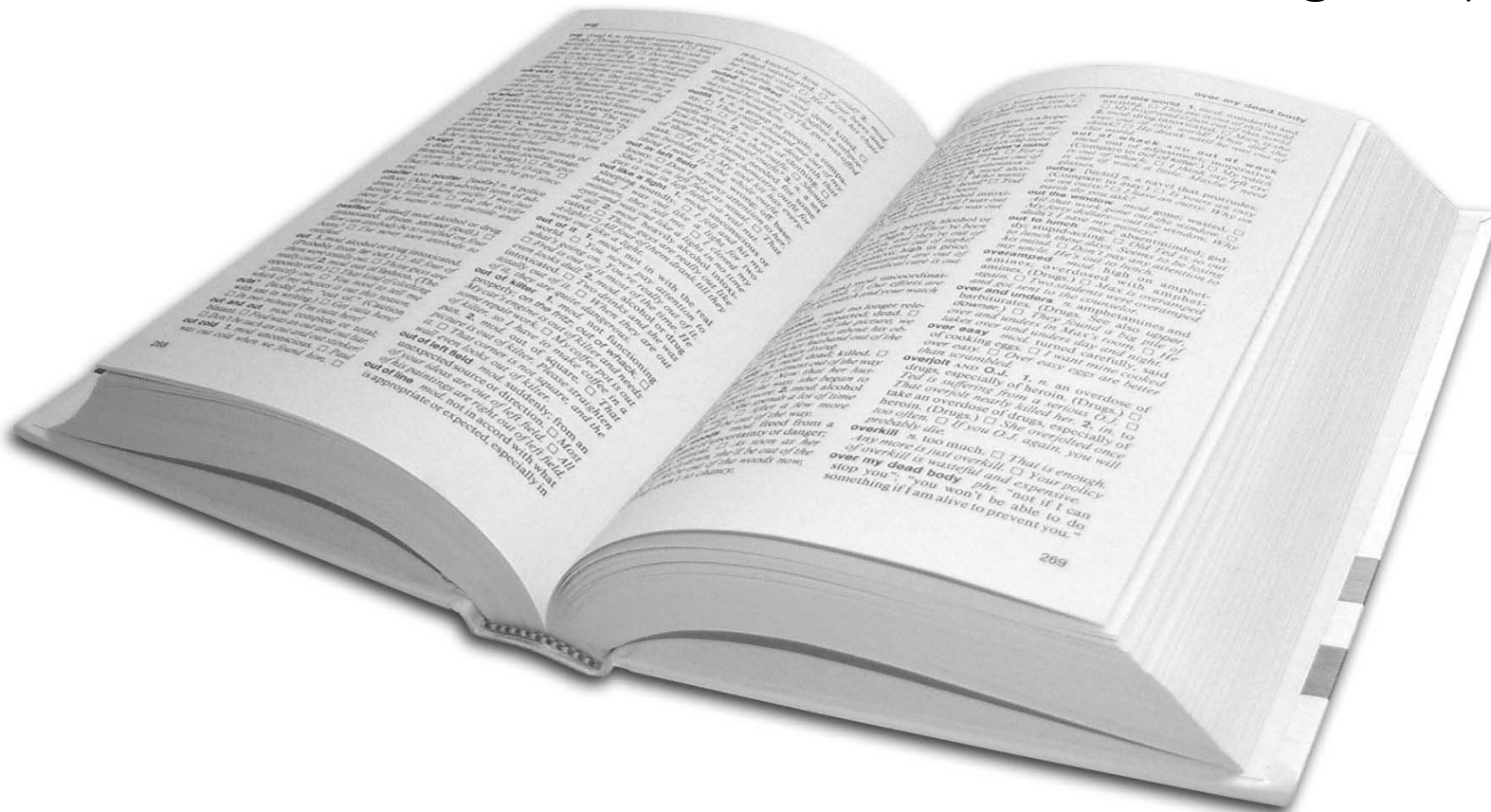
- Ensure that Clean Energy Workforce Training Program grantees have the knowledge and skills they need to effectively ***convene, manage, and implement*** their regional initiatives
- A critical role of a state strategy is to provide ***technical assistance*** activities to targeted regional industry-focused initiatives.

Growing and Strengthening California's Work:

How State Sector Strategies
and Regional Sector Initiatives
Strengthen Economic Competitiveness

Sector Initiatives:

Industry-specific, regional partnerships that enhance regional competitiveness by addressing employers' needs for skilled workers and workers' needs for good jobs.



Why Regional Sector Initiatives?

- Address the needs of **employers** -- by focusing intensively on the workforce needs of a specific industry sector within a region over a sustained period of time, often concentrating on a specific occupation or set of occupations within that industry
- Address the needs of **workers** -- by creating formal career paths to good jobs, reducing barriers to employment, and sustaining or increasing middle class jobs
- Bolster **regional economic competitiveness** -- by engaging economic development experts in workforce issues and aligning education, economic, and workforce development actions with the needs of key industry sectors in regional labor markets

Why Regional Sector Initiatives?

- To engage ***the right partners***
 - Goal: meet industry and workforce needs
 - Regional partnerships of service providers focused on responding to changing employer, job seeker, and worker needs
 - Data driven, continuous improvement approach
- To achieve ***sustainability***
 - Joint efforts focused on results for stakeholders
- To promote ***systemic change***
 - Identify systemic barriers in industry practices, services/coordination of services, and public policy
 - Make changes to achieve ongoing benefits for the industry, workers, and community.

What's Different About the Sector Initiative Approach?

- Sector initiatives are highly responsive to industry and workforce demand when compared to traditional job-matching and training because they are:
 - ***Problem-oriented***, not program-oriented;
 - ***Identify and address core challenges*** (root causes)
 - ***Work with an industry***, not individual firms ...
wholesale, not retail
 - ***Address needs interdependently***, not independently
 - ***Transformation-focused***, not transaction-focused

What's Different About the Sector Initiative Approach?

- ***Industry driven***, with deep employer involvement
 - Union involvement when they represent workforce
- Led by a ***workforce intermediary*** with credibility in the industry
- ***Data driven strategies***, responsive to industry, worker, and job seeker needs
- ***Sustained efforts over the long term***, not “one-time fixes”

Sector Initiatives: Structure

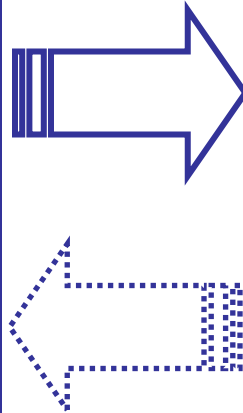
Focus:

An Industry within a Regional Labor Market

Management by a Workforce Intermediary
Services Delivered by Partner Organizations

• Design/Development

- Convene partnership
- Conduct research
- Target occupations
- Design services
- Determine new needs
- Obtain start-up resources



• Operations

- Provide programmatic services to workers and employers
- Coordinate activities to produce outcomes
- Obtain resources for sustainability and expansion
- Bring about system change

Regional Example: *Richmond Builds*

<http://www.ci.richmond.ca.us/DocumentView.aspx?DID=4642>

- Convened by Richmond Works (CA) (Local Workforce Investment Board)
- Unprecedented level of collaboration with employers, adult education, public and private training programs, unions, city economic development, and the city housing authority.
- Richmond Works staff worked closely with employers to understand skills needs across positions in the construction and solar installation sector.
- Public private partners provide in-kind and financial support.
- Strong career pathway focus.
- Targets at-risk youth.
- Since its launch in April 2007, the partnership has placed 90% of its 130 graduates in green construction jobs paying \$18+/hour.



State Sector Strategies

Common elements across states:

1. Engaging leadership
2. Co-creating core principles (policy framework)
3. Promoting regionalism
4. Strategic use of funding
5. Data-driven decision making
6. Alignment of public resources and strategies
7. Technical assistance
8. Promotion and positioning
9. Evaluation
10. Legislation

Key Findings

Accelerating State Adoption of Sector Strategies: Phase 1 Project Report

- **Promote Regionalism:** Labor markets rarely span an entire state or conform to geo-political boundaries, and employers and job seekers do not recognize artificial geographic boundaries in the labor exchange process. Sector strategies promote a focus on regional economies.
- **Increase Funding Opportunities:** Provides for a “big tent” of partners that allows for multiple and alternative funding strategies to be identified and utilized.
- **Use Data to Drive Decisions:** Sector initiatives need a deep understanding of particular industries and regions to identify needs and formulate effective solutions. States play a key part in collecting and providing data to regions

Key Findings

Accelerating State Adoption of Sector Strategies: Phase 1 Project Report

- **Align Resources and Strategies:** Sector strategies allow for various programs, resources, and strategies to be aligned and leveraged. This does not necessitate full-scale system integration, but rather creates effective cross-system connections and aligned protocols toward common goals.
- **Present Opportunities for Unified Messages:** Marketing has been identified as a key to the success of sector strategies. Regional sector initiatives and the state can work together to provide opportunities for businesses, labor, and other stakeholders to communicate benefits they receive. States can develop a brand for their sector strategies or the brands of larger workforce and economic development campaigns to promote their sector strategies.
- **Build Legislative Support:** Legislative support and funding are often the difference between short and long-term success for state sector strategies.

Engaging Industry Leaders

- Business engagement occurs primarily at the regional level, but there are two major categories of engagement at the state level:
 - **Strategy development level**: State level industry associations and state Chambers of Commerce can be very valuable in bringing a private sector perspective to the state strategy development
 - **State initiative or task force level**: Engagement of industry associations or groups of industry leaders in a targeted industry for state level initiatives

Evaluation of Sector Strategies: What We Know Matters to States

Impact on Jobseekers and Workers

- Increased availability of good jobs
- Improved working conditions
- Expanded work supports
- Increased opportunities for education and training for high-demand occupations
- Increased employment and wage gains

Impact on Employers and Industry

- Shared costs and risks
- Increased availability of skills training
- Guidance on ways to improve human resource practices
- Reduced turnover

Effectiveness of the Partnership

- The right partners “at the table”
- Industry challenges identified
- Appropriate solutions designed/implemented
- Plan of action, road map, goals and outcomes
- Partners agree the Partnership is valuable
- New and leveraged funding

Systems Change

- Changes in how education, workforce, economic development and employers work together
- New social and business supports
- Changes in public policy
- Changes in employer practices



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A Knowledge Exchange
for State Policy Makers
and Sector Leaders

CSW corporation for a skilled workforce

NGA Center for BEST PRACTICES

NNSP National Network of Sector Partners

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Welcome to sectorstrategies.org!

This website is part of an [on-going multi-state project](#) focused on accelerating the adoption of sector strategies. Sector strategies are being adopted by dozens of states to connect workers to relevant training and education, and to connect employers to skilled workers.

What are sector strategies? They are state policies that promote regional partnerships of employers, educators, workforce developers and other stakeholders that address the skills needs of critical industries in a region. They are focused on one critical industry; are led by a strategic partner who coordinates dialogue and action; and result in customized solutions to the workforce needs of employers in the industry. They are a proven mechanism for meeting the needs of workers for good jobs and the needs of employers for skilled workers.

ARRA Resources for Sector Strategy Policy Makers

Visit our [ARRA Resource page](#) for essential resources for state policymakers thinking about how to use ARRA funds to help enhance their sector strategies.

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